actually charged from the consumer) on diesel, PDS kerosene and domestic LPG. In case of PDS kerosene, the last price revision was done almost 5 years ago when the international oil prices were very low. Similarly domestic LPG prices were revised marginally two years ago.

In first half of 2006-07 (1.4.2006 to 30.9.2006) the under recoveries have amounted to about Rs. 33,200 crores. These under recoveries have been partially met through burden sharing of Rs. 12,000 crores by upstream companies, viz., ONGC, OIL and GAIL and assurance of issue of bonds of Rs. 14,150 crores.

The Government is keeping a close watch on the international prices. The Government will consider downward revision in the prices of petrol and diesel when there is a sustained drop in the prices of crude in the international market.

Completion of projects with Iran

*94. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Iran has been keeping Indian hanging on each and every energy project like C.N.G. Project, L.N.G. Project, Hydrocarbons Project for the last several years;

(b) if so, what are the details of projects which are still hanging fire at present and since when; and

(c) by when these are likely to be approved?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) to (c) India and Iran had signed a Memorandum of Understanding (MoU) on 27.1.2003 for co-operation in hydrocarbon sector. Accordingly, Indian Oil Sector PSUs are pursuing opportunities in both upstream and downstream sectors in Iran, as under:-

(A) Import of 5 MMTPA LNG from Iran

A Sale-Purchase Agreement (SPA) was signed on 13th June, 2005, in Tehran for import of 5 million metric tonnes per annum (MMTPA) of LNG

by India, between the National Iranian Gas Export Company (NIGEC) and the Indian Consortium of GAIL (India) Limited (GAIL), Indian Oil Corporation (IOC) and Bharat Petroleum Corporation Limited (BPCL). The contract is for 25 years, beginning from the last quarter of 2009.

For the SPA to become effective, NIGEC has to obtain the approval of their parent company, *viz.*, National Iranian Oil Company (NIOC). NIGEC has not conveyed the approval of NIOC's Board to the Indian side.

The matter is being pursued with the Iranian authorities and was discussed at a meeting of Minister (P&NG) and the Iranian President in Shanghai, when they met on 15.06.2006. This was subsequently followed up through a letter of 7th July, 2006 addressed to the Iranian Minister of Petroleum and a letter in August, 2006 to the President of Iran. The issue was also discussed with Iranian Foreign Minister on 17.11.2006 in New Delhi during the recent visit of Iranian delegation here.

(B) Iran-Pakistan-India Gas Pipeline

India is also pursuing import of natural gas from Iran through Iran-Pakistan-India Gas Pipeline Project. Various aspects of the project are being discussed at bilateral and trilateral fora. The third trilateral Joint Working Group meeting between Iran, Pakistan and India was held in New Delhi on August 3-4, 2006. It was decided in the meeting to appoint a consultant to work out the gas price as per the methodology agreed between the three countries. Subsequently, M/s Gaffney Cline & Associates have been appointed as consultant by the Iranian side. A meeting to finalize the methodology for working out the gas price was held in Dubai on September 28-29, 2006. The price worked out by the consultant, which was based on certain parameters given by Iran, was not acceptable to India and Pakistan. The consultant has been given revised parameters to work out the gas pricing.

(C) Integrated LNG Project in Iran

Indian Oil Corporation signed an MoU with Petropars on 1st November, 2004 for jointly developing an Integrated LNG Project in Iran. In accordance with this MoU, IOC-Petropars combine submitted a pre-proposal to NIOC

on February 28, 2005. Further project development activities are on hold, as 'in principle' approval for the pre-proposal from NIOC is still awaited.

(D) Participation in Upstream

ONGC Videsh Limited (OVL) is participating in development of oil fields in Iran. Jufeyr Oil Field was offered to OVL in 2004 and the offer was formalized in the form of an MoU signed on January 7, 2005 with NIOC. OVL was offered 100% rights and obligations for the development of Jufeyr field as an operator and 20% rights and obligations for the development of Yadavaran field as a non-operator. OVL has submitted the Master Development Plan (MDP) for the Jufeyr field to NIOC on October 1, 2006 and is awaiting their response to the proposal. NIOC is negotiating the MDP for the development of Yadavaran field with the operating company (Chinese Company). Once the terms and conditions are agreed between NIOC and the operating company for the development of Yadavaran field, NIOC will send a 'Letter of Offer' to OVL mentioning the terms and conditions. OVL is yet to receive 'Letter of Offer' from NIOC.

OVL has also signed an MoU with Petropars for cooperation in the hydrocarbon sector on August 1, 2005. The MoU includes participation in South Pars Phase-12 involving production of 3 Bcf/d from 36 wells.

OVL is operator of Farsi Offshore Block, spread over 3500 square kilometres. IOC and OIL are other partners in this block. OVL has drilled three wells on BB structure of the block. The fourth exploratory well on BB structure is under drilling. The commerciality of these blocks is under assessment.

By their very nature, such bilateral projects involve protracted discussions and detailed examination of various aspects of the projects to avoid any misunderstanding and future conflict. These projects are being pursued both at Government to Government level and by the companies concerned.

New norms for vehicle insurance

*95. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state: